

**DG 20-013**  
**Residential Low Income Assistant Program**  
**Joint Proposal on Program Modifications**  
**July 24, 2020**

**I. Introduction**

This joint proposal on program modifications (joint proposal or settlement or agreement) is entered into by and among Commission Staff (Staff); the Office of the Consumer Advocate (OCA); the Way Home, by and through counsel, New Hampshire Legal Assistance (NHLA); the New Hampshire Community Action Agencies (NHCAA); Northern Utilities, Inc.; and Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities, (together, “Settling Parties”).

**II. Background**

On January 31, 2020, the Commission opened this docket to consider changes to the Residential Low Income Assistance Program (RLIAP). *See* Staff Recommendation. New Hampshire’s two gas utilities, Liberty and Northern, published the order of notice in the Union Leader on February 3, 2020, and February 5, 2020, respectively. Less than two months after the docket was opened, on March 13, 2020, the Governor declared a State of Emergency in response to COVID-19. The prehearing conference was held the same day, on March 13, 2020. There have been two rounds of discovery sent to the utilities and the NHCAA, and four technical sessions. Based on discussions and analysis, the Settling Parties propose the following modifications:

**Modifications**

- Eliminate the all-season 60% discount on distribution rates (exclusive of the LDAC) and implement a 45% discount on distribution and gas supply rates (exclusive of the LDAC) during the winter months only (November 1-April 30);
- Incremental administrative costs of the modified RLIAP may be treated as a program cost and recoverable through the LDAC rate pending a change in distribution rates that provides for recovery of those costs through distribution rates;

- RLIAP 2<sup>nd</sup> Quarter Report to be included in annual COG filing in addition to existing required quarterly filings via the Commission's electronic filing system;
- Modified Program effective November 1, 2020;
- Review of RLIAP Program following 2020-2021 winter months;
- Eliminate financial cost parameters that required Staff notification if program cost exceeds 1% of utility's gross revenue or 1% of typical customer's total bill;
- Rename the "RLIAP" program the "Gas Assistance Program."

### **Basis for Modifications**

The proposed modifications and discount:

- Are consistent with the last year's benefit for qualifying customers: An all-season 60% discount on distribution rates (exclusive of the LDAC) is equivalent to an all-season 35% discount on distribution and supply rates (exclusive of the LDAC), which is in turn equivalent to an approximate 45% discount on winter distribution and supply rates (exclusive of the LDAC);
- Provide greater rate relief when the need is greatest (more than 80% of residential heating customer annual costs occur during the winter months), resulting in a less dramatic difference between customers' winter and summer bills;
- Create consistent percentage discounts for qualifying customers. Applying the discount to distribution and supply rates (exclusive of the LDAC) should provide a more consistent bill discount for customers, as supply rates are more volatile than distribution rates. Discounting supply rates will improve the stability of the program by making it less reactive to marketplace variations. Eligible customers will be better able to predict the available discounts and the value of participating in the program;

- Provide larger credits for customers during periods of rapidly escalating supply rates when the discount would be most needed;
- Are administratively neutral with:
  - No changes in how outside agencies support the existing program;
  - Minimal costs to gas utilities to implement the modification, including administrative and programming costs to concentrate discount on the winter period;
  - No increase in administrative costs, once implemented;
  - Result in no loss of Low Income Home Energy Assistance Program funding to New Hampshire; and
- Are subject to Commission review of program results on an annual basis in cost of gas dockets (opportunity for Commissioners to order, or Staff and parties to recommend, that a docket be opened to investigate further modifications, post-COVID).

All other terms, requirements, and provisions of the RLIAP program remain in full force and effect.

Except to the extent modified by this joint proposal, the Settling Parties agree to abide by the terms of the RLIAP program as approved by Order 24,508, Order 24,669, and as presently administered.

### **III. Terms of Settlement**

- A. The Settling Parties agree that the proposed modifications, as identified above, are consistent with the intent and goals of New Hampshire's RLIAP program as established by Order 24,508 (September 1, 2005) and modified by Order 24,669 (September 22, 2006), and furthermore fully within the Commission's authority to create and modify. *See* RSA 374:3 (Commission has general supervision of all public utilities...so far as necessary to carry into effect the provisions of this title); RSA 374:1 (requiring adequate service be provided to all customers in a utility's franchise area); RSA 378:7 (establishing the just and reasonable standard for regulatory practice); RSA 378:11 (providing for a necessary degree of flexibility in setting rates so as to allow for the differing needs of the various customer classes).
- B. The Settling Parties agree and recommend that the Commission accept Liberty and Northern's proposed tariff changes, which implement the RLIAP program rate design modifications described herein. *See* **Joint Proposal Attachment 1** (Liberty tariff page(s)); **Joint Proposal Attachment 2** (Northern tariff page(s)).
- C. The Settling Parties agree and recommend that the Commission address this settlement at the remote hearing on the merits scheduled for August 4, 2020, and that the utilities be directed to implement all program modifications effective November 1, 2020, through April 30, 2021.
- D. The parties agree to meet on August 4, 2020, immediately following the hearing, to discuss the utilities' current and planned efforts to communicate with customers regarding program changes. The utilities agree to make reasonable adjustments to their outreach efforts and shall be able to recover any additional, reasonable, costs

#### **IV. Conditions**

This joint proposal is expressly conditioned upon the Commission's acceptance of all of its provisions, without change or condition. If the Commission does not accept this Agreement in its entirety, any party hereto, at its sole option exercised within fifteen (15) days of such Commission order, may withdraw from this Agreement, in which event it shall be deemed to be null and void and without effect and shall not be relied upon by the Utilities, Staff, the OCA, or any other party to this proceeding, or the Commission for any purpose.

The Commission's acceptance of this Agreement shall not constitute continuing approval of, or precedent regarding, any particular principle or issue in this proceeding.

The discussions that produced this Agreement have been conducted on the explicit understanding that all offers of settlement relating thereto are and shall be confidential, shall be without prejudice to the position of any party or participant representing any such offer or participating in any such discussion, and are not to be used in connection with any future proceeding or otherwise.

The Settling Parties agree that all testimony and supporting documentation, including discovery responses, should be admitted as full exhibits for the purposes of reviewing this Agreement. The Settling Parties' agreement to admit all testimony without challenge does not constitute agreement by the Settling Parties that the content of the written testimony is accurate or what weight, if any, should be given to the views of any witness, except as may be specifically provided in this Agreement.

The identification of the resolution of any specific issue in this Agreement does not indicate any of the Settling Parties' agreement to the resolution for purposes of any future proceeding, nor does the reference to any other document bind the Settling Parties to the contents of, or the recommendations in,

that document for purposes of any future proceeding. The Commission's approval of the recommendations in this Agreement shall not constitute a determination or precedent with regard to any specific program modification, including percentage of discounts or cost parameters, but rather shall constitute only a determination that the modifications resulting from this agreement, and other specific conditions stated in this Agreement are just and reasonable and otherwise consistent with the law.

The Commission shall have continuing jurisdiction to enforce the terms of this Settlement, and settlements reached in prior RLIAP dockets. The Settling Parties may modify this Settlement and any of the exhibits attached hereto upon written consent of the Settling Parties, and approval of the Commission, where required.

This Agreement may be executed by facsimile and in counterparts, including an electronic signature in PDF, authorized by an explicit statement in an accompanying email which shall be included with the electronic signature page. Each signature, of whatever type, shall be deemed an original, and all of which, taken together, shall constitute one agreement binding on all Settling Parties.

IN WITNESS WHEREOF, the Settling Parties to this Agreement have caused this Joint Proposal on Program Modifications to be duly executed in their respective names by their fully authorized agents.

**Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities**



Dated: July 24, 2020

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By its Attorney, Michael J. Sheehan

**Northern Utilities, Inc.**

Dated: July \_\_, 2020

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By its Attorney, Patrick H. Taylor

**The Way Home**

Dated: July \_\_, 2020

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By its Attorney, Stephen Tower  
New Hampshire Legal Assistance

**New Hampshire Community Action Agencies**

Dated: July \_\_, 2020

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By its Executive Director, Jeanne Agri

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**Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities**

Dated: July \_\_, 2020

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By its Attorney, Michael J. Sheehan

**Northern Utilities, Inc.**

Dated: July \_\_, 2020

  
\_\_\_\_\_  
By its Attorney, Patrick H. Taylor

**The Way Home**

Dated: July \_\_, 2020

\_\_\_\_\_  
By its Attorney, Stephen Tower  
New Hampshire Legal Assistance

**New Hampshire Community Action Agencies**

Dated: July \_\_, 2020

\_\_\_\_\_  
By its Executive Director, Jeanne Agri



**Gagne, Susan**

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**From:** Stephen Tower <stower@nhla.org>  
**Sent:** Monday, July 27, 2020 1:02 PM  
**To:** Schwarzer, Mary  
**Subject:** DG 20-013-- RLIAP Joint Proposal  
**Attachments:** DG 20-013 Joint Proposal 20200724.pdf; DG 20-013 Joint Proposal NHLA signature 20200724 (Signed).pdf

**EXTERNAL: Do not open attachments or click on links unless you recognize and trust the sender.**

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I am signing and approving the attached Joint Proposal in DG 20-013 on behalf of The Way Home. I have used /s/Stephen Tower to sign the Joint Proposal as New Hampshire Legal Assistance staff are presently working from home, and I do not have the capacity to print and scan a hand-signed copy of the Joint Proposal on a short timeframe.

Sincerely,

**Stephen Tower, Esq.**

*(He/His/Him)*

Staff Attorney

New Hampshire Legal Assistance

1850 Elm Street, Suite 7

Manchester, NH 03104

t: (603) 261-2818

f: (603) 223-9794

[stower@nhla.org](mailto:stower@nhla.org)

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IN WITNESS WHEREOF, the Settling Parties to this Agreement have caused this Joint Proposal on Program Modifications to be duly executed in their respective names by their fully authorized agents.

**Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities**

Dated: July \_\_\_, 2020

\_\_\_\_\_  
By its Attorney, Michael J. Sheehan

**Northern Utilities, Inc.**

Dated: July \_\_\_, 2020

\_\_\_\_\_  
By its Attorney, Patrick H. Taylor

**The Way Home**

Agrees to all Joint Proposal/ Settlement Agreement terms, with the exception of Section III (D) (outreach), consideration of which is pending at this time:

Dated: July 27, 2020

/s/ Stephen Tower  
By its Attorney, Stephen Tower  
New Hampshire Legal Assistance

**New Hampshire Community Action Agencies**

Dated: July \_\_\_, 2020

\_\_\_\_\_  
By its Executive Director, Jeanne Agri

IN WITNESS WHEREOF, the Settling Parties to this Agreement have caused this Joint Proposal on Program Modifications to be duly executed in their respective names by their fully authorized agents.

**Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities**

Dated: July \_\_, 2020

\_\_\_\_\_  
By its Attorney, Michael J. Sheehan

**Northern Utilities, Inc.**

Dated: July \_\_, 2020

\_\_\_\_\_  
By its Attorney, Patrick H. Taylor

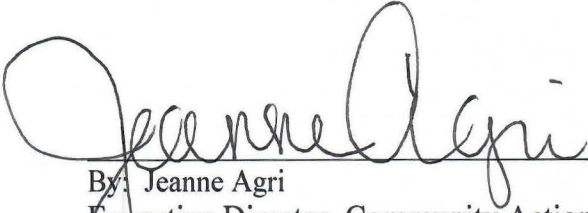
**The Way Home**

Dated: July \_\_, 2020

\_\_\_\_\_  
By its Attorney, Stephen Tower  
New Hampshire Legal Assistance

**New Hampshire Community Action Agencies**

Dated: July 27, 2020

  
\_\_\_\_\_  
By: Jeanne Agri  
Executive Director, Community Action  
Program Belknap-Merrimack and NH  
Community Action Agencies Representative

**Office of the Consumer Advocate**



Dated: July 27, 2020

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By its Consumer Advocate, D. Maurice Kreis

**New Hampshire Public Utilities Commission**

Dated: July \_\_, 2020

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By its Attorney, Mary E. Schwarzer

## Gagne, Susan

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**From:** Schwarzer, Mary  
**Sent:** Monday, July 27, 2020 3:46 PM  
**To:** Gagne, Susan  
**Subject:** DG 20-013 RLIAP Joint Proposal

I am signing and approving the Joint Proposal in DG 20-013 on behalf of the Staff of the New Hampshire Public Utilities Commission.

I have used “/s/ Mary Schwarzer” to sign the Joint Proposal as Commission Staff are presently working from home, and I do not have the capacity to print and scan a hand-signed copy of the Joint Proposal on a short time-frame.

Sincerely,

***Mary E. Schwarzer***  
Staff Attorney/Hearings Examiner  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, NH 03301-2429  
603.271.2431 (phone)  
603.271.3878 (fax)  
[Mary.Schwarzer@puc.nh.gov](mailto:Mary.Schwarzer@puc.nh.gov)

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**Office of the Consumer Advocate**

Dated: July \_\_, 2020

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By its Consumer Advocate, D. Maurice Kreis

**Staff of the New Hampshire Public Utilities Commission**

*/s/ Mary E. Schwarzer*

Dated: July 27, 2020

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By Mary E. Schwarzer, Attorney for Staff